

IB 07-44

E000127      SES-T/C-20070130-00167  
4363205 Canada Inc.

IB2007000304

Approved by OMB  
3060-0678

Date &amp; Time Filed: Jan 30 2007 4:50:46:330PM

File Number: SES-T/C-INTR2007-00305

APPLICATION FOR SATELLITE SPACE AND EARTH STATION AUTHORIZATIONS FOR  
TRANSFER OF CONTROL OR ASSIGNMENTFCC 312 MAIN FORM FOR OFFICIAL USE  
ONLY

FCC Use Only

## APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu:

Transfer of Control of LSNSI T/R Earth Station Licenses from Loral to 4363205 Canada Inc.

## 1-8. Legal Name of Applicant

**Name:** 4363205 Canada Inc.**Phone Number:**

301-258-3208

**DBA  
Name:****Fax Number:**

301-258-3360

**Street:** c/o McCarthy Tetrault LLP, attn.  
Robert Forbes, 66 Wellington  
Street West  
Toronto**E-Mail:**

latlas@loralskynet.com

**City:****State:****Country:** Canada**Zipcode:** -**Attention:** Mr. Laurence D. Atlas

9-16. Name of Contact Representative

|                   |                              |                      |                    |
|-------------------|------------------------------|----------------------|--------------------|
| <b>Name:</b>      | Michael G. Jones             | <b>Phone Number:</b> | 202-303-1141       |
| <b>Company:</b>   | Willkie Farr & Gallagher LLP | <b>Fax Number:</b>   | 202-303-2141       |
| <b>Street:</b>    | 1875 K Street, N.W.          | <b>E-Mail:</b>       | mjones@willkie.com |
| <b>City:</b>      | Washington                   | <b>State:</b>        | DC                 |
| <b>Country:</b>   | USA                          | <b>Zipcode:</b>      | 20006-1238         |
| <b>Attention:</b> |                              | <b>Relationship:</b> | Legal Counsel      |

CLASSIFICATION OF FILING

17. Choose the button next to the classification that applies to this filing for both questions a. and b. Choose only one for 17a and only one for 17b.

- ☒ a1. Earth Station
- ☐ a2. Space Station

- (N/A) b1. Application for License of New Station
- (N/A) b2. Application for Registration of New Domestic Receive-Only Station
- (N/A) b3. Amendment to a Pending Application
- (N/A) b4. Modification of License or Registration
- ☐ b5. Assignment of License or Registration
- ☒ b6. Transfer of Control of License or Registration
- (N/A) b7. Notification of Minor Modification
- (N/A) b8. Application for License of New Receive-Only Station Using Non-U.S. Licensed Satellite
- (N/A) b9. Letter of Intent to Use Non-U.S. Licensed Satellite to Provide Service in the United States
- (N/A) b10. Other (Please specify)

|  |   |
|--|---|
| <p>17c. Is a fee submitted with this application?</p> <p><input checked="" type="radio"/> If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114).</p> <p><input type="radio"/> Governmental Entity    <input type="radio"/> Noncommercial educational licensee</p> <p><input type="radio"/> Other (please explain):</p> |   |
| <p>17d.</p> <p>Fee Classification A CNX – Fixed Satellite Transmit/Receive Earth Station      Quantity 1<br/>(First Station)</p> <p>Fee Classification B      CFX – Fixed Satellite Transmit/Receive Earth Station      Quantity 29<br/>(Each Additional Station)</p>  |   |
| <p>18. If this filing is in reference to an existing station, enter:</p> <p>(a) Call sign of station:<br/>Not Applicable</p>   | <p>19. If this filing is an amendment to a pending application enter:</p> <p>(a) Date pending application was filed:      (b) File number of pending application:</p> <p>Not Applicable      Not Applicable</p> |

# TYPE OF SERVICE

|   |  |
|---|--|
| <p>20. NATURE OF SERVICE: This filing is for an authorization to provide or use the following type(s) of service(s): Select all that apply:</p> <p><input checked="" type="checkbox"/> a. Fixed Satellite</p> <p><input type="checkbox"/> b. Mobile Satellite</p> <p><input type="checkbox"/> c. Radiodetermination Satellite</p> <p><input type="checkbox"/> d. Earth Exploration Satellite</p> <p><input type="checkbox"/> e. Direct to Home Fixed Satellite</p> <p><input type="checkbox"/> f. Digital Audio Radio Service</p> <p><input type="checkbox"/> g. Other (please specify)</p> |  |
| <p>21. STATUS: Choose the button next to the applicable status. Choose only one.</p> <p><input type="radio"/> Common Carrier    <input checked="" type="radio"/> Non-Common Carrier</p>   | <p>22. If earth station applicant, check all that apply.</p> <p><input checked="" type="checkbox"/> Using U.S. licensed satellites</p> <p><input checked="" type="checkbox"/> Using Non-U.S. licensed satellites</p> |
| <p>23. If applicant is providing INTERNATIONAL COMMON CARRIER service, see instructions regarding Sec. 214 filings. Choose one. Are these facilities:</p> <p><input type="radio"/> Connected to a Public Switched Network    <input type="radio"/> Not connected to a Public Switched Network    <input checked="" type="radio"/> N/A</p>   |  |
| <p>24. FREQUENCY BAND(S): Place an "X" in the box(es) next to all applicable frequency band(s).</p> <p><input checked="" type="checkbox"/> a. C-Band (4/6 GHz)    <input checked="" type="checkbox"/> b. Ku-Band (12/14 GHz)</p> <p><input type="checkbox"/> c. Other (Please specify upper and lower frequencies in MHz.)</p> <p>Frequency Lower:    Frequency Upper:</p>  |  |

#### TYPE OF STATION

25. CLASS OF STATION: Choose the button next to the class of station that applies. Choose only one.

- ☐ a. Fixed Earth Station
- ☐ b. Temporary-Fixed Earth Station
- ☐ c. 12/14 GHz VSAT Network
- ☐ d. Mobile Earth Station
- ☐ e. Geostationary Space Station
- ☐ f. Non-Geostationary Space Station
- ☒ g. Other (please specify)      Fixed and Temporary Fixed Earth Stations

26. TYPE OF EARTH STATION FACILITY: Choose only one.

- ☒ Transmit/Receive    ☐ Transmit-Only    ☐ Receive-Only    ☐ N/A

#### PURPOSE OF MODIFICATION

27. The purpose of this proposed modification is to: (Place an "X" in the box(es) next to all that apply.)

Not Applicable

## ENVIRONMENTAL POLICY

28. Would a Commission grant of any proposal in this application or amendment have a significant environmental impact as defined by 47 CFR 1.1307? If YES, submit the statement as required by Sections 1.1308 and 1.1311 of the Commission's rules, 47 C.F.R. 1.1308 and 1.1311, as an exhibit to this application. A Radiation Hazard Study must accompany all applications for new transmitting facilities, major modifications, or major amendments.

☐ Yes ☒ No

**ALIEN OWNERSHIP** Earth station applicants not proposing to provide broadcast, common carrier, aeronautical en route or aeronautical fixed radio station services are not required to respond to Items 30–34.

29. Is the applicant a foreign government or the representative of any foreign government?

☐ Yes ☒ No

30. Is the applicant an alien or the representative of an alien?

☐ Yes ☐ No  
☒ N/A

31. Is the applicant a corporation organized under the laws of any foreign government?

☐ Yes ☐ No  
☒ N/A

32. Is the applicant a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?

☐ Yes ☐ No  
☒ N/A

33. Is the applicant a corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?

☐ Yes ☐ No  
☒ N/A

34. If any answer to questions 29, 30, 31, 32 and/or 33 is Yes, attach as an exhibit an identification of the aliens or foreign entities, their nationality, their relationship to the applicant, and the percentage of stock they own or vote.

#### BASIC QUALIFICATIONS

35. Does the Applicant request any waivers or exemptions from any of the Commission's Rules?  
If Yes, attach as an exhibit, copies of the requests for waivers or exceptions with supporting documents.

☐ Yes ☒ No

36. Has the applicant or any party to this application or amendment had any FCC station authorization or license revoked or had any application for an initial, modification or renewal of FCC station authorization, license, or construction permit denied by the Commission? If Yes, attach as an exhibit, an explanation of circumstances.

☒ Yes ☐ No

37. Has the applicant, or any party to this application or amendment, or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court? If Yes, attach as an exhibit, an explanation of circumstances.

☐ Yes ☒ No

|   |   |
|---|---|
| <p>38. Has any court finally adjudged the applicant, or any person directly or indirectly controlling the applicant, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition? If Yes, attach as an exhibit, an explanation of circumstances</p>  | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| <p>39. Is the applicant, or any person directly or indirectly controlling the applicant, currently a party in any pending matter referred to in the preceding two items? If yes, attach as an exhibit, an explanation of the circumstances.</p>   | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| <p>40. If the applicant is a corporation and is applying for a space station license, attach as an exhibit the names, address, and citizenship of those stockholders owning a record and/or voting 10 percent or more of the Filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries. Also list the names and addresses of the officers and directors of the Filer.</p> |   |
| <p>41. By checking Yes, the undersigned certifies, that neither applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.</p>           | <input checked="" type="radio"/> Yes <input type="radio"/> No |
| <p>42a. Does the applicant intend to use a non-U.S. licensed satellite to provide service in the United States? If Yes, answer 42b and attach an exhibit providing the information specified in 47 C.F.R. 25.137, as appropriate. If No, proceed to question 43.</p>  | <input checked="" type="radio"/> Yes <input type="radio"/> No |

42b. What administration has licensed or is in the process of licensing the space station? If no license will be issued, what administration has coordinated or is in the process of coordinating the space station? Only non-U.S. satellites on the Permitted Space Station List

43. Description. (Summarize the nature of the application and the services to be provided).

(If the complete description does not appear in this box, please go to the end of the form to view it in its entirety.)

Request for FCC approval to transfer control of Loral Skynet Network Services, Inc.'s transmit/receive earth station authorizations from Loral Space & Communications Inc. to 4363205 Canada Inc.

Combined Exhibits

#### CERTIFICATION

The Applicant waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. The applicant certifies that grant of this application would not cause the applicant to be in violation of the spectrum aggregation limit in 47 CFR Part 20. All statements made in exhibits are a material part hereof and are incorporated herein as if set out in full in this application. The undersigned, individually and for the applicant, hereby certifies that all statements made in this application and in all attached exhibits are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.

44. Applicant is a (an): (Choose the button next to applicable response.)

- ☐ Individual
- ☐ Unincorporated Association
- ☐ Partnership
- ☒ Corporation
- ☐ Governmental Entity
- ☐ Other (please specify)

45. Name of Person Signing  
Richard Mastoloni

46. Title of Person Signing  
President

47. Please supply any need attachments.

Attachment 1:

Attachment 2:

Attachment 3:

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT  
(U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION  
(U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

**SATELLITE EARTH STATION AUTHORIZATIONS**  
**FCC Form 312 – Schedule A**  
**FOR OFFICIAL USE ONLY**

Select one of the following

- ☒ **CONSENT TO TRANSFER OF CONTROL**
☐ **CONSENT TO ASSIGNMENT OF LICENSE**  
☐ **NOTIFICATION OF TRANSFER OF CONTROL OF RECEIVE ONLY REGISTRATION**
☐ **NOTIFICATION OF ASSIGNMENT OF RECEIVE ONLY REGISTRATION**

**A1. Name of Licensee (as shown on FCC 312 – Main Form)**

|                   |                                     |                      |                          |
|-------------------|-------------------------------------|----------------------|--------------------------|
| <b>Name:</b>      | Loral Skynet Network Services, Inc. | <b>Phone Number:</b> | 908-470-2350             |
| <b>DBA Name:</b>  |                                     | <b>Fax Number:</b>   | 908-470-2453             |
| <b>Street:</b>    | 500 Hills Drive<br>P.O. Box 7018    | <b>E-Mail:</b>       | gwazeter@loralskynet.com |
| <b>City:</b>      | Bedminster                          | <b>State:</b>        | NJ                       |
| <b>Country:</b>   | USA                                 | <b>Zipcode:</b>      | 07921 -                  |
| <b>Attention:</b> | Mr. George Wazeter                  |                      |                          |

**A8. List Callsign(s) of station(s) being assigned or transferred**

|                             |                             |                             |                             |                             |                             |                             |                           |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| <b>Callsign:</b><br>E980450 | <b>Callsign:</b><br>E980149 | <b>Callsign:</b><br>E990082 | <b>Callsign:</b><br>E980156 | <b>Callsign:</b><br>E060085 | <b>Callsign:</b><br>E980175 | <b>Callsign:</b><br>E990183 | <b>Callsign:</b><br>KA358 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|

|                             |                             |                             |                             |                             |                             |                             |                             |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Callsign:</b><br>E950407 | <b>Callsign:</b><br>E980176 | <b>Callsign:</b><br>E990277 | <b>Callsign:</b><br>KA359   | <b>Callsign:</b><br>E990278 | <b>Callsign:</b><br>E980205 | <b>Callsign:</b><br>E990292 | <b>Callsign:</b><br>E990541 |
| <b>Callsign:</b><br>KA355   | <b>Callsign:</b><br>E980206 | <b>Callsign:</b><br>KA399   | <b>Callsign:</b><br>E980207 | <b>Callsign:</b><br>E980208 | <b>Callsign:</b><br>E980250 | <b>Callsign:</b><br>E000127 | <b>Callsign:</b><br>E000128 |
| <b>Callsign:</b><br>E000189 | <b>Callsign:</b><br>E990081 | <b>Callsign:</b><br>E000321 | <b>Callsign:</b><br>KA360   | <b>Callsign:</b><br>KA356   | <b>Callsign:</b><br>KA357   | <b>Callsign:</b>            | <b>Callsign:</b>            |

A9. No. of station(s) listed  
30

A10. Name of Transferor/ Assignor

|                   |                                       |                      |                        |
|-------------------|---------------------------------------|----------------------|------------------------|
| <b>Name:</b>      | Loral Space & Communications Inc.     | <b>Phone Number:</b> | 301-258-3208           |
| <b>Company:</b>   |                                       | <b>Fax Number:</b>   | 301-258-3360           |
| <b>Street:</b>    | 600 Third Avenue                      | <b>E-Mail:</b>       | latlas@loralskynet.com |
| <b>City:</b>      | New York                              | <b>State:</b>        | NY                     |
| <b>Country:</b>   | USA                                   | <b>Zipcode:</b>      | 10016 -                |
| <b>Attention:</b> | Mr. Laurence D. Atlas, Vice President | <b>Relationship:</b> |                        |

A15. Name of Transferee/ Assignee

|                   |  |                      |                        |
|-------------------|--|----------------------|------------------------|
| <b>Name:</b>      | 4363205 Canada Inc.  | <b>Phone Number:</b> | 301-258-3208           |
| <b>DBA Name:</b>  |  | <b>Fax Number:</b>   | 301-258-3360           |
| <b>Street:</b>    | c/o McCarthy Tetrault LLP, attn.<br>Robert Forbes, 66 Wellington<br>Street West<br>Toronto | <b>E-Mail:</b>       | latlas@loralskynet.com |
| <b>City:</b>      |  | <b>State:</b>        |                        |
| <b>Country:</b>   | Canada   | <b>Zipcode:</b>      | -                      |
| <b>Attention:</b> | Mr Laurence D Atlas  |                      |                        |

A20. If these facilities are licensed, is the transferee / assignee directly or indirectly controlled by any other entity?  
If yes, attach as Exhibit E, a statement (including organizational diagrams where appropriate) which fully and completely identifies the nature and extent of control including: (1) the name, address, citizenship, and primary business of the controlling entity and any intermediate subsidiaries or parties, and (2) the names, addresses, citizenship, and the percentages of voting and equity stock of those stockholders holding 10 percent or more of the controlling corporation's voting stock.

- ☒ Yes  
☐ No  
☐ N/A

A21. If these facilities are licensed, attach as Exhibit F, a complete statement setting forth the facts which show how the assignment or transfer will serve the public interest.

## CERTIFICATION

|   |   |
|---|---|
| <p>1. The undersigned, individually and for licensee, certifies that all attached exhibits pertain to Schedule A and all statement made in Schedule A of this application are true, complete and correct to the best of his/her knowledge and belief. The undersigned also certifies that any contracts or other instruments submitted herewith are complete and constitute the full agreement.</p> <p>2. The undersigned represents that stock will not be delivered and that control will not be transferred until the Commission's consent has been received, but that transfer of control or assignment of license will be completed within 60 days of Commission consent. The undersigned also acknowledges that the Commission must be notified by letter within 30 days of consummation.</p> |   |
| A22. Printed Name of Licensee (Must agree with A1)<br>Loral Skynet Network Services, Inc.   | A24. Title (Office Held by Person Signing)<br>Laurence D. Atlas, Vice President |
| A26. Printed Name of License Transferor / Assignor<br>(Must agree with A10)<br>Loral Space & Communications Inc.  | A28. Title (Office Held by Person Signing)<br>Laurence D. Atlas, Vice President |
| A26. Printed Name of License Transferee / Assignee<br>(Must agree with A15)<br>4363205 Canada Inc.  | A28. Title (Office Held by Person Signing)<br>Richard Mastoloni, President      |

## FCC NOTICE REQUIRED BY THE PAPERWORK REDUCTION ACT

The public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PER, Paperwork Reduction Project (3060-0678), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to [jboley@fcc.gov](mailto:jboley@fcc.gov). PLEASE DO NOT SEND COMPLETED FORMS TO THIS ADDRESS.

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**THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.**

**PUBLIC INTEREST STATEMENT**

**I. INTRODUCTION**

In a series of simultaneously filed applications, a newly formed Canadian company known as 4363205 Canada Inc. (“Holdco” or “Transferee”) seeks Commission consent to two separate transactions through which Holdco will acquire indirect control of a variety of U.S. space station, earth station and wireless licenses and international Section 214 authorizations currently held by (1) Telesat Canada (“Telesat”); (2) Telesat’s indirect wholly owned subsidiary Able Infosat Communications Inc. (“Able Infosat”); (3) Loral Skynet Corporation (“Loral Skynet”); and (4) Loral Skynet Network Services, Inc. (“LSNSI”). Holdco’s owners are the Public Sector Pension Investment Board (“PSP”), which is a Canadian company, Loral Space & Communications Inc. (“Loral”) and two independent third party Canadian investors, John P. Cashman and Colin D. Watson (together, the “TPIs”).

In the first transaction, Holdco will acquire indirectly from BCE Inc. (“BCE” or “Transferor”) all of the issued and outstanding common shares of Telesat. This transaction is simply a substitution of ultimate ownership and control of the FCC licenses and assets held by Telesat and its indirect subsidiary Able Infosat with no adverse impact on competition. Approval of this first transaction serves the public interest in affording licensees unfettered access to capital.

In the second transaction, which will occur contemporaneously with or after Holdco’s acquisition of Telesat, Loral Skynet will assign certain Part 90 wireless, space station and earth station licenses and related assets to Skynet Satellite Corporation (“Skynet Satellite”), a newly

formed indirect wholly owned subsidiary of Telesat, and will transfer indirect control of LSNSI to Holdco. This second transaction will combine, under common ownership and control of Holdco, the existing Telesat and Able Infosat assets with those of Loral Skynet.

The second transaction will serve the public interest by giving the combined entity a satellite footprint that covers virtually all of the populated world. As such, end users will be able to purchase a broader range of satellite services from the combined entity than they could purchase from either Telesat or Loral Skynet today. The transaction will also lead to operational efficiencies and permit greater investment in facilities, customer services and technological innovation. There will be no adverse effect on competition in the U.S. because Loral Skynet's satellite fleet is focused outside the U.S., and Telesat's existing provision of space segment satellite services in the U.S. is quite limited.

## **II. FCC LICENSES TO BE TRANSFERRED AND ASSIGNED**

The Transferee and BCE (together, the "Applicants") are concurrently filing the following FCC applications with respect to the acquisition of Telesat and its subsidiaries:

1. Transfer of Control of Telesat's transmit/receive earth station licenses from BCE to Holdco (FCC Form 312).  
E040285  
E040419
2. Transfer of Control of Telesat's VSAT license from BCE to Holdco (FCC Form 312).  
E050321

3. Transfer of Control of Able Infosat's international Section 214 authorizations from BCE to Holdco (FCC Form 214).<sup>1</sup>  
ITC-214-19990128-00050  
ITC-214-20000113-00025
4. Transfer of Control of Able Infosat's Part 90 wireless licenses from BCE to Holdco (FCC Form 603). In addition, the Transferee also is filing a Section 310(b)(4) petition requesting that the Commission determine that it is in the public interest for Holdco to indirectly hold and control WPDG659, a CMRS license.<sup>2</sup>  
WIK991  
WIL750  
WIL752  
WIM208  
WNFU511  
WNLP820  
WNMK285  
WPBG516  
WPDG659  
WPEV234  
WPFA841  
WPMN391  
WPMN703  
WPMR639  
WPYR432

The following FCC applications are being filed concurrently with respect to the transfer of the Loral Skynet licenses and assets to Holdco:

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<sup>1</sup> On January 19, 2007, Infosat Communications, Inc. ("Infosat") and Able Infosat notified the Commission that the international 214 authorizations held by Infosat were assigned on *pro forma* bases from Infosat to Able Infosat on January 17, 2007 (IBFS File No. ITC-ASG-20070119-00031).

<sup>2</sup> On January 19, 2007, Infosat filed an application for approval of a *pro forma* change in control of Able Infosat (ULS File No. 0002865620) with respect to Able Infosat's wireless licenses.

1. Assignment of Loral Skynet's space station licenses to Skynet Satellite, an indirect, wholly owned subsidiary of Holdco (FCC Form 312).

S2670 Telstar 11  
S2357 Telstar 11N  
S2462 Telstar 12

2. Assignment of Loral Skynet's transmit/receive earth stations to Skynet Satellite, an indirect, wholly owned subsidiary of Holdco (FCC Form 312).

E000706  
E000707  
E010128  
E030040  
E861065  
E910218  
E940375  
E940376  
E950053  
E950054  
E950055  
E950056  
E980154  
E980195  
E980196  
E990125  
E990165  
E990194  
E990216  
WB30

3. Transfer of Control of LSNSI's transmit/receive earth station licenses from Loral to Holdco (FCC Form 312).

KA355  
E990541  
E990292  
E990278  
E990277  
E950407  
E990183  
E060085  
E990082

E000321  
E990081  
E000189  
E000128  
E000127  
E980250  
E980208  
E980207  
KA399  
E980206  
KA360  
E980205  
KA359  
E980176  
KA358  
E980175  
E980156  
E980149  
E980450  
KA357  
KA356

4. Transfer of Control of LSNSI's VSAT licenses from Loral to Holdco (FCC Form 312).

E020101  
E030029

5. Assignment of Loral Skynet's Part 90 wireless license to Skynet Satellite, an indirect, wholly owned subsidiary of Holdco (FCC Form 603).

WPRF209

The notifications of the proposed change of ultimate ownership and control of the satellites on the Permitted Space Station List operated by Telesat and Loral Skynet do Brasil Ltda. will be filed on a post-consummation basis, in accordance with FCC policy.<sup>3</sup>

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<sup>3</sup> See *Amendment of the Commission's Space Station Licensing Rules and Policies*, First Report and Order, 18 FCC Red 10760, ¶¶ 326-327 (2003). Likewise, notification of the

### III. REQUEST FOR APPROVAL OF ADDITIONAL AUTHORIZATIONS

The licensees involved in the proposed transactions have on file additional applications with respect to the assets involved in the proposed transactions. Current pending requests include two applications with respect to the Telstar 11N satellite.<sup>4</sup> Accordingly, the Applicants request that the Commission, in acting upon the above-referenced applications, include authority: (1) for assignment to Skynet Satellite of any authorization issued to Loral Skynet during the period prior to grant of the instant applications or during the period required for consummation following approval; (2) to transfer control of Telesat, Able Infosat and LSNSI to Holdco with respect to any license or authorization issued to those licensees during the period prior to grant of the instant applications or during the period required for consummation following approval; and (3) for assignment to Skynet Satellite or transfer of control to Holdco with respect to any applications or other filings that have been filed by Loral Skynet, Telesat, Able Infosat or LSNSI and are pending at the time of consummation of the proposed assignments and transfers.

### IV. THE APPLICANTS

#### A. The Transferee – Holdco

The Transferee, Holdco, is a Canadian holding company established to acquire control of the various licenses, authorizations and assets of Telesat, its indirect subsidiary Able Infosat,

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assignment of the receive-only earth station operated by Loral Skynet (call sign E990540) also will be filed post consummation.

<sup>4</sup> Loral Skynet Corporation Request for Waiver of License Condition, SAT-MOD-20060306-00024 (filed Mar. 6, 2006); Loral Skynet Corporation Request for Waiver of License Condition, SAT-MOD-20060821-00091 (requesting a modification of the satellite design) (filed Aug. 21, 2006).

Loral Skynet and its indirect subsidiary LSNSI. Holdco is owned by PSP, the TPIs and Loral, each of which is described more fully below.

**1. Public Sector Pension Investment Board**

PSP is a Canadian Crown corporation, established by the Canadian Parliament via the Public Sector Pension Investment Board Act ("PSP Act").<sup>5</sup> The mandate of PSP is to manage employer and employee contributions made after April 1, 2000, to the Canadian federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police pension funds. Annual net contributions to the funds are approximately CAD\$4 billion (US\$3.4 billion). PSP assets are invested in fixed income instruments and Canadian and foreign equity, real estate, infrastructure, private equity and other permissible investments.

**2. Third Party Investors**

The TPIs are two Canadian investors, John P. Cashman and Colin D. Watson. Mr. Cashman will hold approximately a 30% voting interest solely for the election of directors of Holdco. He is president of Humphrey Management Limited of Toronto. In the course of a forty year career, Mr. Cashman has served as a senior executive of both Johns-Manville Corporation and R.P. Scherer Corporation. He presently serves as a non-executive director of six Canadian and United Kingdom companies. He holds dual Canadian and Irish citizenship and is resident in Canada.

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<sup>5</sup> PSP is not a representative of the Canadian Government, and thus these applications are consistent with Section 310(a) of the Communications Act, 47 U.S.C. §310(a). *See* PSP Act, Section 3(2) ("The Board is not an agent of Her Majesty"). Under Canadian constitutional law, the use of the term "Her Majesty" in this context is equivalent to a reference to the Government of Canada.

Mr. Watson will hold approximately a 6 $\frac{2}{3}$ % voting interest solely for the election of directors of Holdco. His business career has included service as chief executive officer of Rogers Cable Inc., Spar Aerospace Limited and Vector Aerospace Corporation. Mr. Watson presently serves as a director of six Canadian corporations. He is a citizen and resident of Canada.

**3. Loral Space & Communications Inc.**

Loral, a Delaware corporation, is a publicly traded company on NASDAQ with a market capitalization of more than US\$900 million. Through its subsidiary Loral Skynet, Loral owns and operates a fleet of geosynchronous satellites. Loral's subsidiary, Space Systems/Loral, Inc. ("SS/L"), is a world leader in the design and manufacture of commercial satellites and satellite systems. SS/L will remain a subsidiary of Loral and is not involved in these transactions.

**B. The Transferors/Assignors – BCE and Loral**

The transferor of the Telesat and Able Infosat licenses and authorizations is BCE. BCE, one of Canada's principal telecommunications companies, is incorporated under the laws of Canada. BCE is publicly traded in Canada, the United States and Europe. BCE is the parent of Bell Canada, founded in 1880. Today, BCE provides a comprehensive suite of communications services to residential and business customers in Canada including local, long distance and wireless phone services, high-speed and wireless Internet access, IP-broadband services, information and communications technology services and direct-to-home satellite and VDSL television services.

The assignor of Loral Skynet's licenses is Loral Skynet, described below in Section IV.C.3. Loral, described above in Section IV.A.3, is the transferor of LSNSI and its licenses.

**C. Existing and Proposed U.S. Licensees**

**1. Telesat Canada**

Telesat is a Canadian company authorized by Industry Canada to operate a fleet of fixed satellite service ("FSS") and direct broadcast service ("DBS") satellites.<sup>6</sup> Four of Telesat's satellites, Anik F1, Anik F1-R, Anik F2 and Anik F3 are on the current U.S. Permitted Space Station List.<sup>7</sup> The FCC also has approved use of Anik F2's Ka-band payload in the U.S.<sup>8</sup> In addition, Telesat holds three U.S. earth station authorizations. Telesat's satellite operations are located primarily within Canada, although it does provide service between North and South America and within South America, and its combined satellite footprint covers most of the populated landmass of the Americas. Telesat's commercial space segment satellite services within the U.S. or between the U.S. and foreign points are limited.

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<sup>6</sup> Telesat currently has seven satellites in orbit: three FSS satellites known as Anik F2 at 111.1° W.L., Anik F1 at 107.3° W.L. and Anik F1R at 107.3° W.L.; and four DBS satellites known as Nimiq 1 at 91° W.L., Nimiq 2 at 82° W.L., Nimiq 3 at 82° W.L. and Nimiq 4i at 91° W.L. A fourth FSS satellite, Anik F3, is scheduled for launch in the second quarter of 2007 and will be placed at the 118.7° W.L. position.

<sup>7</sup> The FCC call sign for Anik F1 is ANIK F1, for Anik F1-R is S2674 and for Anik F2 is S2646. Telesat Canada's petition for declaratory ruling to add Anik F3, call sign S2703, to the U.S. Permitted Space Station List was granted on January 19, 2007. *See Telesat Canada Petition for Declaratory Ruling to Add the C- and Ku-band Payloads of Anik F3 to the Permitted List*, Order, File No. SAT-PPL-20060516-00061, DA 07-118 (Jan. 19, 2007). Two other satellites now de-orbited, Anik E1 with FCC call sign S2597 and E2 with FCC call sign S2473, were previously on the U.S. Permitted List.

<sup>8</sup> *Telesat Canada, Petition for Declaratory Ruling to Serve the U.S. Market Using Ka-band Capacity on Anik F2*, Order, 17 FCC Rcd 25287 (2002). The FCC call sign for the Ka-band payload of Anik F2 is S2472.

**2. Able Infosat**

Able Infosat, a corporation organized in the U.S., is indirectly owned by Telesat Canada and holds two international Section 214 authorizations, fourteen wireless radio licenses in the Industrial/Business Pool Conventional (IG) for internal communications purposes and one CMRS license in the Industrial/Business Pool Commercial, Conventional (IK).

**3. Loral Skynet**

Loral Skynet owns and operates a fleet of geosynchronous satellites used to distribute video entertainment programming, distribute broadband data and provide access to Internet services and other value-added communications services around the globe. Together with terrestrial fiber and other resources, Loral Skynet provides services and platforms for use by television and cable networks to distribute video programming and by communications service providers, resellers, corporate and government customers for broadband data transmission, Internet services and other value-added communications services.

Loral Skynet's customers lease transponder capacity for distribution of video and data for television programming, direct-to-home ("DTH") services, business communications, Internet connectivity and telephony. Increasingly, satellites are being used for communications over Internet Protocol ("IP")-based technologies, commonly for enterprise-level high-speed data services using very small aperture terminal ("VSAT") networks, and for distance learning and educational television. Loral Skynet's satellite network provides reliable, high-bandwidth services around the globe, serving as a backbone network for many of the aforementioned communications services.

Loral Skynet's fleet currently consists of five geosynchronous telecommunications satellites: Telstar 10 at 76.5° E.L., Telstar 11 at 37.55° W.L., Telstar 12 at 15° W.L., Telstar 14 at 63° W.L. (a/k/a Estrela do Sul 1) and Telstar 18 at 138° E.L.<sup>9</sup> Together with its hybrid VSAT/fiber network infrastructure, Loral Skynet's satellite operations cover much of the land mass of Europe, Africa, Asia and Australia and portions of North and South America. As noted, Loral Skynet's services are integrated with a fiber network that interconnects with customer networks with points of presence located in San Jose, California; Ashburn, Virginia; New York, New York; and London, England. Loral also interconnects satellite and VSAT services via teleports in Mount Jackson, Virginia; Aflenz, Austria; Hong Kong; and Hawaii.

#### **D. THE PROPOSED TRANSACTIONS**

In the first transaction, Holdco will acquire indirect control of Telesat and Able Infosat. To effect this transaction, Loral and PSP have incorporated three new corporations organized under the laws of Canada: (1) Holdco, (2) 4363213 Canada Inc. ("Acquireco"), which is a wholly owned direct subsidiary of Holdco and (3) 4363230 Canada Inc. ("Interco"), which is a wholly owned direct subsidiary of Acquireco. Under the terms of a Share Purchase Agreement, dated as of December 16, 2006, among Acquireco, BCE and Telesat, Acquireco will purchase all of the issued and outstanding common shares of Telesat from BCE. Acquireco will then transfer the shares of Telesat to Interco, and Interco will amalgamate with Telesat under Canadian law,

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<sup>9</sup> Telstar 11 is currently operating in inclined orbit and has no revenue generating traffic. The construction of Telstar 11N, the replacement for Telstar 11, has been approved and is underway. *Grant of Application for Modification*, Public Notice, SAT-MOD-20011130-00118 (with attached conditions) (granted Sept. 28, 2004).

such that upon consummation of the transaction the amalgamated entity, to be known as Telesat Canada, will be a direct wholly owned subsidiary of Acquireco and an indirect wholly owned subsidiary of Holdco. Able Infosat will remain an indirect subsidiary of the new Telesat.

In the second transaction, which will occur contemporaneously with or after the consummation of Holdco's acquisition of indirect control of Telesat and Able Infosat, Holdco will acquire indirect control of certain U.S. licenses and assets of Loral Skynet. To effect this second transaction, Loral Skynet has created two new subsidiaries organized under Delaware law: (1) Skynet Satellite Holdings Corporation ("Skynet Holdings") and (2) Skynet Satellite. At the closing, Loral Skynet will transfer the shares of Skynet Holdings, Skynet Satellite and LSNSI to Holdco. Holdco will transfer the shares of Skynet Holdings, Skynet Satellite and LSNSI to Acquireco, which will in turn transfer the shares of those three entities to the new Telesat. Telesat will transfer the shares of Skynet Satellite and LSNSI to Skynet Holdings, and Skynet Holdings will transfer the shares of LSNSI to Skynet Satellite. Following these share transfers, LSNSI will be a wholly owned subsidiary of Skynet Satellite; Skynet Satellite will be a wholly owned subsidiary of Skynet Holdings; Skynet Holdings will be a wholly owned subsidiary of Telesat; Telesat will be a wholly owned subsidiary of Acquireco; and Acquireco will be a wholly owned subsidiary of Holdco. In addition to this share transfer transaction, Loral Skynet will assign its FCC licenses to Skynet Satellite.

Attachment A to Exhibit E is a chart depicting Holdco's proposed corporate structure, including indirect control of companies holding U.S. licenses and authorizations, following consummation of the two proposed transactions described above.

**V. THE TRANSFEREE IS QUALIFIED TO ACQUIRE TELESAT CANADA AND THE ASSETS AND SUBSIDIARIES OF LORAL SKYNET.**

The Transferee, including for purposes of this Section V its owners PSP and Loral, is legally, financially and technically qualified to operate earth and space stations and to provide satellite services in the United States. Indeed, the Commission has considered and approved both Loral's<sup>10</sup> and Telesat's qualifications in prior decisions.<sup>11</sup> The Transferee's financial qualifications are impressive; Loral is a publicly traded company on NASDAQ with a market capitalization of more than US\$900 million, and annual net contributions to PSP are approximately CAD\$4 billion (US\$3.4 billion). Both Loral and Telesat are pioneers in the satellite industry with industry-leading reputations, and both have extensive experience in the management and operation of satellites and satellite systems. Finally, the home market of

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<sup>10</sup> In connection with the emergence of Loral Space & Communications Ltd. ("Old Loral") and its debtor subsidiaries from bankruptcy, the International Bureau granted Old Loral authority to transfer control of certain of its subsidiaries, along with the space and earth station licenses held by such entities, from Old Loral to Loral Space & Communications Inc. *Applications of Loral Space & Communications Ltd. (DIP) for the Transfer of Control of Licenses and Authorizations Held by Loral Orion, Inc. (DIP), Loral SpaceCom Corporation (DIP) and Loral Skynet Network Services, Inc. (DIP) to Loral Space & Communications Inc.*, Public Notice, 20 FCC Rcd 15691 (2005).

<sup>11</sup> The FCC has granted Telesat Canada authority to operate three earth stations. SES-LIC-20040625-00887, *Satellite Communications Service Information Actions Taken*, Public Notice, Report No. SES-00643 (2004); SES-LIC-20041027-01601, *Satellite Communications Service Information Actions Taken*, Public Notice, Report No. SES-00677 (2005); SES-LIC-20051102-01508, *Satellite Communications Service Information Actions Taken*, Public Notice, Report No. SES-00782 (2006). The FCC also has granted requests that Telesat satellites be added to the U.S. permitted space station list. *See e.g., Telesat Canada Petition for Declaratory Ruling For Inclusion of ANIK F1 on the Permitted Space Station List*, Order, 15 FCC Rcd 24828 (2000); *Telesat Canada Petition for Declaratory Ruling to Add the C- and Ku-band Payloads of ANIK F3 to the Permitted List*, Order, File No. SAT-PPL-20060516-00061, DA 07-118 (Jan. 19, 2007).

Acquireco and Holdco is Canada, a member of the WTO. Thus, although the Transferee is required to obtain a finding under Section 310(b)(4) that Canadian ownership above 25% is in the public interest due to the fact that Able Infosat holds a CMRS radio license, the Transferee is entitled to a presumption in favor of such a finding, which the Commission should issue as requested in the Petition for Declaratory Ruling under Section 310(b)(4) filed with respect to the transfer of control of Able Infosat's wireless licenses. The foreign ownership of Holdco is described in Exhibit E.

**VI. THE COMBINATION OF TELESAT AND LORAL SKYNET BY HOLDCO WILL SERVE THE PUBLIC INTEREST.**

The proposed transactions will promote competition in the provision of satellite services. First, combining the geographically complementary satellite assets of Loral Skynet and Telesat will provide consumers access to a new global satellite service provider. As a result of the sale of its North American fleet to Intelsat in 2004, Loral Skynet relinquished its presence in the U.S. satellite services business. At present, both Loral Skynet and Telesat provide limited satellite space segment services within the U.S. or to/from the U.S. and foreign points. The Loral Skynet combined satellite footprint covers much of the land mass of Europe, Africa, Asia and Australia and portions of North and South America, while Telesat's combined satellite footprint virtually blankets North and South America. However, although Telesat's satellites have a footprint covering North America, Telesat has concentrated on Canada. Thus, at present, neither Telesat nor Loral Skynet presently provides significant space segment satellite services in the U.S.<sup>12</sup>

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<sup>12</sup> Indeed, Loral's satellite fleet provides an array of video and data services primarily outside of North America and complements Telesat's North American fleet, which hosts

Following completion of the transaction, U.S. satellite capacity consumers will be able to purchase a broader range of satellite services from the combined entity than they could purchase from either Telesat or Loral Skynet individually today. Currently, neither Telesat nor Loral Skynet are significant providers of space segment satellite service in the U.S. As a result, these transactions will expand competition in the provision of U.S. satellite services to the benefit of U.S. consumers of such services. The increase in potential U.S. space segment capacity available to the combined entity that results from the consummation of the transactions actually will promote competition by enhancing the reliability, redundancy and spectrum efficiency of such services.

Second, the new Telesat also will be able to supply expanded satellite and terrestrial coverage, enhanced back-up advantages and an unparalleled level of customer service. The combined satellite footprint of the new Telesat will cover virtually all of the world's populated land mass, and will comprise the world's fourth largest satellite fleet and the third largest fleet with a global satellite footprint.<sup>13</sup> As a result, U.S. consumers of satellite services will have access to a more complete package of satellite services from a single provider, enhancing competition by providing consumers with a third satellite services provider with truly global

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strong video and data distribution services focused on Canada, as well as Canada's two premier DTH video services.

<sup>13</sup> Peter B. de Selding, *The List, Top Fixed Satellite Service Operators*, Space News (Jun. 26, 2006) (providing data from Dec. 31, 2005 including the number of satellites that top operators have in orbit. Based on this data, the new Telesat (Telesat plus Loral) would be fourth with 10 satellites behind Eutelsat with 22 satellites, SES (including New Skies) with 35 satellites, and Intelsat (including PanAmSat) with 52 satellites.).

reach. The FCC has acknowledged that transactions that "better [position the combined company] to compete in the global satellite services market" serve the public interest.<sup>14</sup>

Third, the post-consummation Telesat will have much greater scale than either Loral or Telesat presently enjoys, which will provide numerous benefits to the combined company and consumers of satellite services. First, the increased scale will allow the new Telesat to grow its fleet and thus increase redundancy and improve reliability by providing the combined company more options in the event service restoration becomes necessary than either company would have independently. This flexibility will redound to the benefit of consumers of satellite services, as their needs will be met more quickly and efficiently.<sup>15</sup>

While the overlap in satellite footprint for Loral Skynet and Telesat is not extensive, the increase in global capacity available to the combined company will improve the efficiency of spectrum utilization by enabling the combined company to rationalize its orbital slot resources. Finally, greater scale will enhance the efficiency of both Telesat's and Loral Skynet's operations. After the acquisition, Telesat and Loral Skynet will be able to leverage each entity's respective strengths in sales, operations and management support, and the combination of Loral Skynet and

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<sup>14</sup> *Application for Consent to Transfer of Space Station Licenses of Columbia Communications Corporation*, Order and Authorization, 15 FCC Rcd 11590, ¶ 11 (2000); see also *Application of General Electric Capital Corporation and SES Global, S.A.*, Order and Authorization, 16 FCC Rcd 17575, ¶ 52 (2001) ("The combination may also provide the merged entity with resources to better compete with other operators that can offer services throughout the world, and thus, strengthen competition in the satellite telecommunications services industry.").

<sup>15</sup> The FCC has recognized that reducing the time required to meet customers' needs serves the public interest. See e.g., *Amendment of the Commission's Space Station Licensing Rules and Policies*, Second Report and Order, 18 FCC Rcd 12507, ¶ 7 (2003).

Telesat will permit reductions in expenses. Increased scale and reduced costs will make the combined company a more vital competitor, to the benefit of consumers of satellite services and therefore the public interest.<sup>16</sup>

## VII. CONCLUSION

For the foregoing reasons, the Applicants hereby request that the Commission grant the applications and related filings described herein expeditiously.

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*See Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors and Intelsat Holdings, Ltd., Transferee; Consolidated Application for Authority to Transfer Control of PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp., Memorandum Opinion & Order, 21 FCC Rcd 7368, ¶¶ 45, 74 (2006); see generally Application of New Skies Satellites Holdings Ltd., Transferor, and SES GLOBAL S.A., Transferee, to Transfer Control of Authorizations Held by New Skies Networks, Inc., and Notification of Change to Permitted Space Station List; International Authorizations Granted; Public Notice, 21 FCC Rcd 3194 (2006).*

## OWNERSHIP AND CONTROL OF HOLDCO

### I. Introduction

4363205 Canada Inc. ("Holdco") and 4363213 Canada Inc. ("Acquireco") were created for the purpose of acquiring Telesat Canada ("Telesat") by the Public Sector Pension Investment Board ("PSP") and Loral Space and Communications Inc. ("Loral"). As described in more detail in the Public Interest Statement, Exhibit F, Telesat holds three U.S. earth station authorizations and has four satellites licensed by Industry Canada on the current U.S. Permitted Space Station List. Telesat also wholly owns Infosat Communications Inc. ("Infosat"), which in turn wholly owns Infosat Able Holdings, Inc., which in turn wholly owns Able Infosat Communications Inc. ("Able Infosat"). Able Infosat holds two international Section 214 authorizations and 15 wireless radio licenses in the Industrial/Business Pool.<sup>1</sup>

Contemporaneous with or after the acquisition of Telesat, in a separate transaction Loral Skynet Corporation ("Loral Skynet") will, as described more completely below, transfer a substantial portion of its assets, including the stock of its subsidiaries holding FCC licenses, to an indirect subsidiary of Holdco. Loral Skynet holds three space station licenses, 20 earth station licenses, one wireless Industrial/Business Pool license and one receive-only earth station

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<sup>1</sup> On January 19, 2007, Infosat filed an application for approval of a *pro forma* transfer of control of Able Infosat (ULS File No. 0002865620) with respect to Able Infosat's wireless licenses, and Infosat notified the Commission of the *pro forma* assignments of its international Section 214 authorizations to Able Infosat, which occurred on January 17, 2007 (IBFS File No. ITC-ASG-20070119-00031).

registration. Loral Skynet's subsidiary, Loral Skynet Network Services, Inc. ("LSNSI"), holds 30 earth station authorizations and two VSAT licenses.<sup>2</sup>

## II. Description of Acquisition of Telesat by Holdco

The acquisition of Telesat and its direct and indirect subsidiaries Infosat, Infosat Able Holdings, Inc. and Able Infosat will occur as described below. Loral and PSP have incorporated Holdco and Acquireco, such that Acquireco is a wholly owned subsidiary of Holdco. A third new entity, 4363230 Canada Inc. ("Interco"), is a wholly owned subsidiary of Acquireco. Each of Holdco, Acquireco and Interco are corporations organized under the Canada Business Corporations Act. Under the terms of a Share Purchase Agreement, dated as of December 16, 2006, among Acquireco, BCE Inc. ("BCE") and Telesat, Acquireco will purchase all of the issued and outstanding common shares of Telesat from BCE. Acquireco will then transfer the shares of Telesat to Interco, and Interco will amalgamate with Telesat under Canadian law, such that upon consummation of the transaction the amalgamated entity, to be known as Telesat Canada, will be a wholly owned subsidiary of Acquireco. Infosat will remain a direct subsidiary of Telesat, and Infosat Able Holdings, Inc. and Able Infosat will remain indirect subsidiaries of Telesat. An organization chart depicting the resulting final ownership structure for Telesat is attached hereto as Attachment A.

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<sup>2</sup> An indirect subsidiary of Loral Skynet, Loral Skynet do Brasil Ltda. ("Loral Skynet Brasil") has a satellite on the U.S. Permitted Space Station List. Notification of the transfer of control of Loral Skynet Brasil and a request to update the Permitted Space Station List will be filed in accordance with the FCC's requirements on a post-closing basis.

### **III. Description of Skynet Contribution to Holdco**

Contemporaneous with or after the consummation of the acquisition of Telesat by Holdco, Loral Skynet will transfer certain of its assets, including the stock of certain of its subsidiaries, to an indirect subsidiary of Holdco as described below. Loral Skynet has created two new subsidiaries, Skynet Satellite Holdings Corporation ("Skynet Holdings") and Skynet Satellite Corporation ("Skynet Satellite"). Both Skynet Holdings and Skynet Satellite are Delaware corporations. At the closing, the shares of Skynet Holdings, Skynet Satellite and LSNSI will be transferred to Holdco. Holdco will transfer the shares of Skynet Holdings, Skynet Satellite and LSNSI to Acquireco, which will in turn transfer the shares of those three entities to the newly amalgamated Telesat. Telesat will contribute the shares of Skynet Satellite and LSNSI to Skynet Holdings and Skynet Holdings will transfer the shares of LSNSI to Skynet Satellite, such that LSNSI will be a wholly owned subsidiary of Skynet Satellite; Skynet Satellite will be a wholly owned subsidiary of Skynet Holdings; Skynet Holdings will be a wholly owned subsidiary of Telesat; Telesat will be a wholly owned subsidiary of Acquireco; and Acquireco will be a wholly owned subsidiary of Holdco. Finally, the licenses issued by the FCC and presently held by Loral Skynet will be assigned to Skynet Satellite. The ownership structure with respect to the transfer of the Loral Skynet assets also is depicted in Attachment A.

### **IV. Description of Direct Ownership and Control of Holdco**

Loral, through its direct and indirect wholly owned subsidiaries Loral Space and Communications Holdings Corporation and Loral Holdings Corporation, will hold 64% of the equity of Holdco, and PSP, through its wholly owned subsidiary Red Isle Private Investments Inc., will hold 36% of the equity of Holdco. Loral will hold a 33⅓% voting interest for all

matters, while PSP will hold a 66⅔% voting interest for all matters except the election of the board of directors, and a 30% voting interest for the election of the board of directors. A third party investor, John P. (Jack) Cashman ("Mr. Cashman"), a citizen of Canada and Ireland, will hold approximately a 30% voting interest solely for the election of the board of directors of Holdco. Likewise, a second third party investor, Colin D. Watson ("Mr. Watson" and together with Mr. Cashman, the "TPIs"), a Canadian citizen, will hold approximately a 6⅔% voting interest solely for the election of the board of directors of Holdco.<sup>3</sup> Each of Mr. Cashman and Mr. Watson will be independent directors of Holdco, and were selected in a manner intended to ensure their independence from each of PSP and Loral. This ownership information is summarized in the following table:

| Shareholder      | Participating Equity | Shares with voting rights for directors | Shares with voting rights on all other matters |
|------------------|----------------------|---|--|
| PSP <sup>4</sup> | 36%                  | 30%                                     | 66⅔%   |
| Loral            | 64%                  | 33⅓%                                    | 33⅓%   |
| TPIs (aggregate) | --                   | 36⅔%                                    | --   |
| Total shares     | 100%                 | 100%                                    | 100%   |

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<sup>3</sup> One thousand special voting shares for the election of directors will be held between Mr. Cashman, who will hold 820, and Mr. Watson, who will hold 180.

<sup>4</sup> PSP also will hold CAD\$173.6 (US\$150) million worth of non-voting senior preferred shares in Holdco or an affiliate of Holdco.

The shareholders of Holdco will enter into a unanimous shareholders agreement that will effectively make Holdco a company controlled by its Board of Directors. Holdco will have a board of directors comprising 10 directors, 8 of whom must be Canadian citizens. Each of PSP and Loral will have the right to nominate three directors, and two directors will be the TPIs. The remaining two directors also will be independent of PSP and Loral and will be nominated by a committee comprising one PSP nominee, one Loral nominee and Mr. Cashman. The second third party investor, Mr. Watson, who also will be a director, was selected by the nominating committee. The unanimous shareholders agreement will provide that the shareholders entitled to vote for the directors will vote for the directors nominated as described above.

**A. PSP**

PSP is a Canadian Crown corporation, established by the Canadian Parliament pursuant to the Public Sector Pension Investment Board Act, S.C. 1999, c.34 ("PSP Act"). PSP is a pension fund manager, operating at arm's length from the Government of Canada, with a mandate to invest funds held for the benefit of the contributors and beneficiaries of the Canadian federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police pension funds. The mailing address for PSP is 1250 René Lévesque Boulevard West, Suite 2030, Montreal (Quebec), H3B 4W8.

**B. Loral**

Loral is a Delaware corporation with a mailing address of 600 Third Avenue, New York, NY 10016. Through its subsidiary Loral Skynet, Loral owns and operates a fleet of geosynchronous satellites used to distribute video entertainment programming, distribute broadband data, and provide access to Internet services and other value-added communications

services around the globe. Together with terrestrial fiber and other resources, Loral Skynet provides services and platforms for use by television and cable networks to distribute video programming, and by communications service providers, resellers, corporate and government customers for broadband data transmission, Internet services and other value-added communications services.

**C. Third Party Investors**

As noted above, John P. Cashman will hold approximately a 30% voting interest solely for the election of the board of directors of Holdco. Mr. Cashman is president of Humphrey Management Limited of Toronto. In the course of a forty year career, Mr. Cashman has served as a senior executive of both Johns-Manville Corporation and R.P. Scherer Corporation. He presently serves as a non-executive director of six Canadian and United Kingdom companies. He holds dual Canadian and Irish citizenship and is resident in Canada.

Colin D. Watson will hold approximately a 6 $\frac{2}{3}$ % voting interest solely for the election of the board of directors of Holdco. Mr. Watson's business career has included service as chief executive officer of Rogers Cable Inc., Spar Aerospace Limited and Vector Aerospace Corporation. Mr. Watson presently serves as a director of six Canadian corporations. He is a citizen and resident of Canada.

**V. Description of Indirect Owners of Holdco**

A complete list of the names, addresses, citizenship and principal businesses of the 10% or greater owners of the Applicant identified in the foregoing FCC application is attached hereto as Attachment B. Set forth below is a detailed description of the 10% or greater owners of Holdco.

**A. PSP**

PSP will hold its interest in Holdco through a wholly owned subsidiary, Red Isle Private Investments Inc., a corporation organized under the Canada Business Corporations Act. Set forth below is a description of PSP and its ownership and control structure.

PSP is a Canadian Crown corporation, established by the Canadian Parliament pursuant to the PSP Act. The mandate of PSP is to manage employer and employee contributions made after April 1, 2000, to the Canadian federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police pension funds (the "Funds"); annual net contributions are approximately CAD\$4 billion (US\$3.4 billion). PSP assets are invested in fixed income instruments and Canadian and foreign equity investments, real estate, infrastructure, private equity and other permissible investments.

PSP is a pension fund manager, operating at arm's length from the Government of Canada, whose function is to invest funds held for the benefit of the contributors and beneficiaries of the Funds, none of whom has a 10% or greater beneficial interest in the Funds. Under the PSP Act, the control of PSP rests solely with PSP's Board of Directors. The Board of Directors appoints all officers of PSP and determines the investment policy for the assets managed by PSP.<sup>5</sup>

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<sup>5</sup> The PSP Act provides that all 10 of PSP's shares (which, with a par value of \$10 each, constitute the total share capital of PSP) are held by a Cabinet Minister in the Government of Canada, namely the Minister who holds the position of "President of the Treasury Board" from time to time. The shares are held by the Minister as a fiduciary, and as a formal requirement of the Ministerial office of the President of the Treasury Board, and do not represent any right to a beneficial interest in, or control of, PSP by the

The members of the PSP Board of Directors are effectively appointed by the federal Cabinet of the Government of Canada<sup>6</sup> on the recommendation of the President of the Treasury Board.<sup>7</sup> The PSP Board members must be selected from a list of qualified candidates proposed by an eight member nominating committee that is also established by the President of the Treasury Board pursuant to requirements of the PSP Act, which ensure that the nominating committee reflects the Funds that PSP manages. The PSP Act thus establishes PSP as a pension-fund managing agency that acts independently from the Government of Canada to manage and invest its pension fund assets in the interests of the contributors and beneficiaries of the Funds. Under the terms of the PSP Act, "[PSP] is not an agent of Her Majesty,"<sup>8</sup> and "[d]irectors, officers, employees, and agents and mandataries, of [PSP] are not part of" the Canadian federal public administration. Directors of PSP cannot be Canadian federal government employees, members of the Canadian Senate, House of Commons or a provincial legislature, or persons entitled to or who have been granted a pension benefit from the Canadian federal public sector.

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Minister. As such, the Minister is not a 10% or greater owner of PSP, nor does he control PSP for the purpose of the Communications Act.

<sup>6</sup> Technically, the appointments are made by the "Governor in Council". According to Canadian constitutional law, this means "the Governor General of Canada acting by and with the advice and consent of the Queen's Privy Council for Canada as represented by Cabinet." The Governor General is the Canadian representative of Queen Elizabeth II, the formal Head of State of Canada, but in this and other capacities, the Governor General acts in accordance with the advice and consent of the Cabinet of the Government of Canada.

<sup>7</sup> See footnote 5 for a description of the office of the President of the Treasury Board.

<sup>8</sup> Under Canadian constitutional law, the use of the term "Her Majesty" here is equivalent to a reference to the Government of Canada.

The current members of the PSP Board of Directors and their principal businesses are listed below. All are citizens of Canada; Mr. Gage is also a citizen of the United Kingdom.

| NAME                    | PRINCIPAL BUSINESS/OCCUPATION                                    |
|-------------------------|--|
| Bob Baldwin             | Retired Executive (Consultant)                                   |
| Cheryl Barker           | Retired Executive (Consultant)                                   |
| Paul Cantor             | Chair, Canadian Advisory Board                                   |
| Tony Gage               | Retired Executive (Consultant)                                   |
| Jean Lefebvre           | Retired Executive (Consultant)                                   |
| Lynn Loewen             | Vice-President, Financial Operations, Bell Canada                |
| Keith G. Martell        | Chairman of the Board, First Nations Bank of Canada              |
| Michael Peter Mueller   | Retired Executive (Consultant)                                   |
| Anil K. Rastogi         | Vice-President & Chief Information Officer, McCain Foods Limited |
| William John Saunderson | Retired Executive (Consultant)                                   |
| Susan Sherk             | Senior Associate, AMEC Earth & Environment Ltd.                  |

The mailing address of the PSP Board of Directors is:

c/o Public Sector Pension Investment Board  
1250 René Lévesque Boulevard West  
Suite 2030  
Montreal (Quebec)  
H3B 4W8

**B. Loral**

The name, address, citizenship and principal business of the holders of 10% or greater equity or voting interests in Loral are set forth in the following table. Due to the fact that Loral will be entitled to a greater than 50% equity interest in Holdco, the FCC's ownership rules<sup>9</sup> may

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<sup>9</sup> Under the FCC's ownership rules, if an ownership percentage is equal to or exceeds 50%, it is treated as if it were 100%.

be understood to provide that these entities are deemed to hold the same percentage equity interest in Holdco as they do in Loral.<sup>10</sup> Please note that the percentages in the table apply the Commission's ownership attribution requirements, which results in double-counting some interests. Specifically, seven MHR limited partnerships own Loral common stock; the two MHR limited partnerships that hold more than 10% of Loral's common stock are shown in the table. Three MHR limited liability companies are the general partners of the MHR limited partnerships, and are attributed under the FCC's rules with the ownership interests in Loral held by those limited partnerships, although they do not hold any interest in Loral directly. Two of those limited liability companies are attributed with a greater than 10% interest in Loral and are listed in the chart (MHR Institutional Advisors II LLC and MHR Institutional Advisors LLC). MHR Fund Management LLC ("Fund Management") is an affiliate of, and has an investment management agreement with each of the seven MHR limited partnerships that own an interest in Loral, pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the Loral common stock, and accordingly, Fund Management is attributed under the FCC's rules with the total amount of Loral common stock that those limited partnerships hold (in the aggregate, approximately 35.9%). Fund Management has no ownership interest in either the MHR limited partnerships or the MHR limited liability companies. Mark Rachesky is

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<sup>10</sup> Percentage interest calculations for Mark Rachesky and the MHR entities are based on the total number of shares of Loral common stock outstanding as disclosed on Loral's most recent Form 10-Q for the quarterly period ended September 30, 2006. The information as to the ownership interest held by BlackRock, Inc. is based on a Schedule 13G filed with the Securities and Exchange Commission reporting that certain of Blackrock's investment subsidiaries beneficially own in the aggregate 12.86% of Loral common stock. *See* BlackRock, Inc., SEC Schedule 13-G, Oct. 10, 2006.

the managing member of the three MHR limited liability companies that are the general partners of the MHR limited partnerships, and is therefore also attributed under the FCC's rules with the ownership interests that the limited partnerships hold in Loral (in the aggregate, approximately 35.9%). Mr. Rachesky is also the managing member of Fund Management.

To the extent that the multiplier would apply to their indirect voting interest in Loral, under the Commission's rules Mark Rachesky and Fund Management each would be deemed to have approximately a 12% voting interest in Holdco (calculated by multiplying their 35.9% interest in Loral by Loral's 33.33% voting interest in Holdco). Applying the multiplier, no other shareholder of Loral would hold a 10% or greater voting interest in Holdco.

**Ten Percent or Greater Attributable Equity Owners of Loral**

| <u>Name:</u>   | <u>Percentage<br/>Interest in<br/>Loral</u> | <u>Address:</u>  | <u>Citizenship:</u> | <u>Principal<br/>Business:</u> |
|--|---|--|---------------------|--------------------------------|
| Mark Rachesky<br>(Indirect Attributed<br>Ownership)                        | 35.9%                                       | 40 West 57th Street,<br>24th Floor<br>New York, NY 10019 | U.S.                | Investor                       |
| MHR Fund<br>Management LLC<br>(Indirect Attributed<br>Ownership)           | 35.9%                                       | Same as above  | U.S. (Delaware)     | Investment<br>Manager          |
| MHR Institutional<br>Advisors II LLC<br>(Indirect Attributed<br>Ownership) | 16.9%                                       | Same as above  | U.S. (Delaware)     | Investment<br>Advisor          |
| MHR Institutional<br>Advisors LLC<br>(Indirect Attributed<br>Ownership)    | 13.1%                                       | Same as above  | U.S. (Delaware)     | Investment<br>Advisor          |
| MHR Institutional Partners<br>IIA LP<br>(Direct Ownership)                 | 12.1%                                       | Same as above  | U.S. (Delaware)     | Investment<br>Fund             |
| MHR Institutional Partners<br>LP<br>(Direct Ownership)                     | 10.6%                                       | Same as above  | U.S. (Delaware)     | Investment<br>Fund             |
| BlackRock, Inc.<br>(Indirect Attributed<br>Ownership)                      | 12.86%                                      | 40 East 52nd Street<br>New York, NY 10022                | U.S. (Delaware)     | Investment<br>Fund             |

**VI. Foreign Ownership**

The requirements of Section 310(b)(4) apply to only one license involved in either the acquisition of Telesat by Holdco or the contribution of the Loral Skynet assets and subsidiaries to the new Telesat. Specifically, Able Infosat holds one Part 90 CMRS license, WPDG659; all

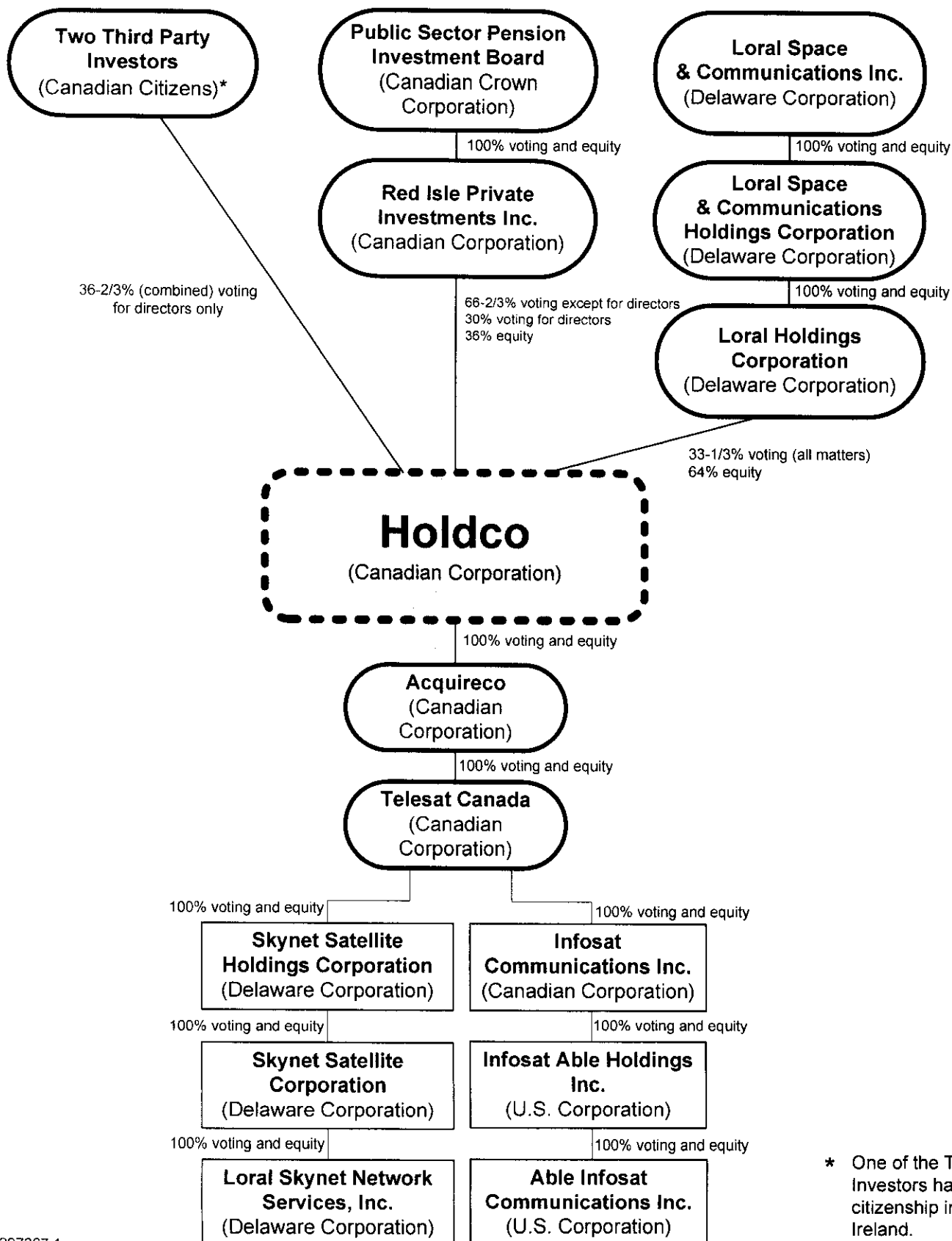
other licenses involved in the transactions are held on a non-common carrier basis. A Petition for Declaratory Ruling seeking a finding pursuant to Section 310(b)(4) that indirect 100% ownership of Able Infosat by Holdco, a Canadian corporation, is in the public interest, is attached to the application to transfer control of Able Infosat to Holdco.<sup>11</sup> As noted in the Petition for Declaratory Ruling, Holdco's voting stock is 66⅔% owned by Canadians, as is 36% of its equity. The remaining voting interest, 33⅓%, and equity interest, 64%, is held by Loral, an entity organized in the U.S. As Canada is a member of the WTO, the acquisition of Able Infosat by Holdco, as well as the other FCC licenses involved in the transaction, is presumptively in the public interest.<sup>12</sup>

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<sup>11</sup> PSP is not a representative of the Canadian government, and thus these applications are consistent with Section 310(a) of the Communications Act, 47 U.S.C. §310(a). *See* PSP Act, Section 3(2) ("The Board is not an agent of Her Majesty.").

<sup>12</sup> In the Foreign Participation Order, the Commission found that "additional foreign investment can promote competition in the U.S. market," and that "the public interest will be served by permitting more open investments by entities from World Trade Organization ("WTO") member countries in U.S. common carrier wireless licenses." *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891, 23939 ¶ 111 (1997).

## Attachment A Holdco Final Ownership Structure



\* One of the Third Party Investors has dual citizenship in Canada and Ireland.

**Attachment B**

The name, address, citizenship, and principal businesses of the direct or indirect holders of at least 10% of the equity or voting interest of the transferee, 4363205 Canada Inc. ("Holdco") are as follows (ownership percentages are stated applying the FCC's ownership attribution rules and, where applicable, the multiplier):

**Red Isle Private Investments Inc. ("Red Isle")**

1250 René-Lévesque Boulevard West

Suite 2030

Montreal, Quebec H3B 4W8

Canada

Citizenship: Canada

FRN: 0016027096

Principal Business: Holding company for telecommunications-related investments.

Percentage: Direct 36% equity interest and direct 30% voting interest for directors, and direct 66.67% voting interest for all other matters, in Holdco.

**Public Sector Pension Investment Board**

1250 René-Lévesque Boulevard West

Suite 2030

Montreal, Quebec H3B 4W8

Canada

Citizenship: Canada

FRN: 0016017279

Principal Business: Pension fund management.

Percentage: 36% indirect equity interest, 30% indirect voting interest for directors, and 66.67% indirect voting interest for all other matters in Holdco, held through 100% direct equity and voting interest in Red Isle.

**John P. ("Jack") Cashman**

103 Roxborough Street East  
Toronto, Ontario M4W 1V9  
Canada

Citizenship: Canada and Ireland  
FRN: 0016027112  
Principal Business: Company Director  
Percentage: Direct 30% voting interest for directors of Holdco.

**Colin D. Watson**

72 Chestnut Park Road  
Toronto, Ontario M4W 1W8  
Canada

Citizenship: Canada  
FRN: 0016027120  
Principal Business: Company Director  
Percentage: Direct 6.67% voting interest for directors of Holdco.

**Loral Holdings Corporation**

600 Third Avenue  
New York, NY 10016

Citizenship: United States  
FRN: 0016025090  
Principal Business: Holding company for telecommunications-related investments  
Percentage: Direct 64% equity interest and direct 33.33% voting interest in Holdco.

**Loral Space & Communications Holdings Corporation**

600 Third Avenue  
New York, NY 10016

Citizenship: United States  
FRN: 0016018715  
Principal Business: Holding company for telecommunications-related investments  
Percentage: 64% indirect equity interest and 33.33% indirect voting interest in Holdco, held through 100% direct equity and voting interest in Loral Holdings Corporation.

**Loral Space & Communications Inc.**

600 Third Avenue  
New York, NY 10016

Citizenship: United States

FRN: 0013676879

Principal Business: Holding company for telecommunications-related investments.

Percentage: 64% indirect equity interest and 33.33% indirect voting interest in Holdco, held through 100% direct equity and voting interest in Loral Space & Communications Holdings Corporation.

**Please refer to the Ownership Exhibit for an explanation of the MHR ownership in Loral.<sup>1</sup>**

**MHR Institutional Advisors II LLC**

40 West 57th Street, 24th Floor  
New York, NY 10019

Citizenship: United States

Principal Business: Investment Advisor

Percentage: 16.9% indirect equity interest, and 5.6% indirect voting interest in Holdco, held through 16.9% indirect equity and 16.9% indirect voting interest in Loral Space & Communications Inc.

**MHR Institutional Partners IIA LP**

40 West 57th Street, 24th Floor  
New York, NY 10019

Citizenship: United States

Principal Business: Investment Fund

Percentage: 12.1% indirect equity interest, and 4% indirect voting interest in Holdco, held through 12.1% direct equity and 12.1% direct voting interest in Loral Space & Communications Inc.

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<sup>1</sup> Percentage interest calculations for Mark Rachesky and the MHR entities are based on the total number of shares of Loral common stock outstanding as disclosed on Loral's most recent Form 10-Q for the quarterly period ended September 30, 2006. The information as to the ownership interest held by BlackRock, Inc. is based on a Schedule 13G filed with the Securities and Exchange Commission reporting that certain of BlackRock's investment subsidiaries beneficially own in the aggregate 12.86% of Loral common stock. See BlackRock, Inc., SEC Schedule 13-G, Oct. 10, 2006.

**MHR Institutional Advisors LLC**

40 West 57th Street, 24th Floor

New York, NY 10019

Citizenship: United States

Principal Business: Investment Advisor

Percentage: 13.1% indirect equity interest, and 4.4% indirect voting interest in Holdco, held through 13.1% indirect equity and 13.1% indirect voting interest in Loral Space & Communications Inc.

**MHR Institutional Partners LP**

40 West 57th Street, 24th Floor

New York, NY 10019

Citizenship: United States

Principal Business: Investment Fund

Percentage: 10.6% indirect equity interest, and 3.5% indirect voting interest in Holdco, held through 10.6% direct equity and 10.6% direct voting interest in Loral Space & Communications Inc.

**MHR Fund Management LLC**

40 West 57th Street, 24th Floor

New York, NY 10019

Citizenship: United States

Principal Business: Investment Manager

Percentage: 35.9% indirect equity interest, and 12% indirect voting interest in Holdco, held through 35.9% indirect equity and 35.9% indirect voting interest in Loral Space & Communications Inc. (Interests attributed by virtue of management agreement with MHR investment funds.)

**Mark Rachesky**

40 West 57th Street, 24th Floor

New York, NY 10019

Citizenship: United States

Principal Business: Investor

Percentage: 35.9% indirect equity interest and 12% indirect voting interest in Holdco, held through 35.9% indirect equity and 35.9% indirect voting interest in Loral Space & Communications Inc.

**BlackRock, Inc.**

40 East 52nd Street  
New York, NY 10022

Citizenship: United States

Principal Business: Investment Fund

Percentage: 12.86% indirect equity interest, and 4.3% indirect voting interest in Holdco, held through 12.86% indirect equity and 12.86% indirect voting interest in Loral Space & Communications Inc.

## REVOCATION OF AUTHORIZATIONS

The following information involved entities owned by Loral Space & Communications Inc., an indirect owner of 4363205 Canada Inc. ("Holdco").

In an order issued April 1, 2003, the International Bureau declared null and void authorizations held by Loral SpaceCom Corporation and Loral Space & Communications Corporation to construct, launch and operate geostationary Fixed Satellite Service Ka-band payloads at 89° W.L., 81° W.L., 47° W.L., and 78° E.L.<sup>1</sup> The Bureau affirmed its earlier decision not to extend the construction milestones associated with these authorizations.<sup>2</sup>

In an order issued July 7, 2005, the International Bureau declared null and void, by its own terms, Loral SpaceCom Corporation's authorization to launch and operate a satellite at the 69° W.L. orbit location.<sup>3</sup>

In an order issued September 26, 2005, the International Bureau declared null and void, by its own terms, CyberStar Licensee, LLC's Ka-band system authorization to launch and operate satellites at the 93° W.L. and 115° W.L. orbital locations.<sup>4</sup>

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<sup>1</sup> See *Loral SpaceCom Corporation and Loral Space & Communications Corporation*, Memorandum Opinion, Order and Authorization, 18 FCC Rcd. 6301 (2003).

<sup>2</sup> See *Loral Space & Communications Corporation*, Order, 16 FCC Rcd. 11044 (2001).

<sup>3</sup> See *Loral SpaceCom Corporation (Debtor-in-Possession)*, Memorandum Opinion and Order, 20 FCC Rcd. 12045 (2005).

<sup>4</sup> See *CyberStar Licensee, LLC*, Order, 20 FCC Rcd. 15412 (2005).